



Republic of the Philippines
CIVIL AVIATION AUTHORITY OF THE PHILIPPINES

CONTRACT AGREEMENT

FOR THE PROJECT

REPAIR AND MAINTENANCE OF AIR CONDITIONING AND CHILLER SYSTEM
AT ILOILO INTERNATIONAL AIRPORT

Contract ID No AREA6-PB-2024-006

KNOW ALL MEN BY THESE PRESENTS;

This Contract is made and entered into this SEP 03 2024 at Iloilo, Philippines

by and between:

The Government Republic of the Philippines, through the **CIVIL AVIATION AUTHORITY OF THE PHILIPPINES**, Iloilo International Airport represented herein by **ENGR. EUSEBIO F. MONSERATE JR.**, in his capacity as Acting Area Manager, Area Center VI, duly authorized for this purpose, with office address at Iloilo International Airport, Brgy. Gaub, Cabatuan, Iloilo, hereinafter referred to as the "PROCURING ENTITY";

-and-

ILOILO FABRICATION SPECIALISTS, INC. a Company, duly organized and existing by virtue of Laws of the Republic of the Philippines with office address at Q. Abeto St., Mandurriao, Iloilo City, represented by **RAFAEL D. APALACIO II**, Authorized Representative as PARTY OF THE SECOND PARTY, hereinafter referred to as the "CONTRACTOR" Who has been duly authorized for its purpose;

WITNESSETH:

WHEREAS, in accordance with the advertisement of the PROCURING ENTITY published/posted in accordance with the Revised Implementing Rules and Regulations of RA 9184, the CONTRACTOR & other contractors/bidders submitted bids to the **REPAIR AND MAINTENANCE OF AIR CONDITIONING AND CHILLER SYSTEM AT ILOILO INTERNATIONAL AIRPORT**, in accordance with the plans & specifications & requirements thereof;

WHEREAS, the above-mentioned project, by the recommendation of the Bids and Awards Committee (BAC) and stated on the approved Annual Procurement Plan for 2024, which was approved by the Head of the Procuring Entity, has been considered thru Public/ Competitive Bidding;

STEPHEN K. GURREA
RAFAEL D. APALACIO II

WHEREAS, after the opening of bids on last August 7, 2024, the bid price of the CONTRACTOR was found to be the **Single Calculated Responsive Bid**;

WHEREAS, under Resolution No. AREA6-PB-2024-006-05 dated August 20, 2024, the BAC recommends the award to the **ILOILO FABRICATION SPECIALISTS, INC.** as the winning Bidder in the amount of **One Million Seven Hundred Thirteen Pesos (P 1,000,713.00)**.

NOW, THEREFORE, for and in consideration of the foregoing premises, and covenants hereinafter set forth, the parties hereto have agreed as follows:

1. That PROCURING ENTITY and CONTRACTOR shall abide by the provisions and specifications stated on the following documents, which shall be included in this Contract (whichever is applicable):

- a. Invitation to Bid or Request For Quotation, if any;
- b. Drawing/Plans
- c. Specifications
- d. Eligibility Requirements:
 - d.1. Registration Certificate from SEC, DTI for Sole proprietorship, CDA for cooperatives
 - d.2. Mayor's Permit/Business Permit
 - d.3. Statement of all On-going & Completed Government & Private Contracts
 - d.4. Latest Audited Financial Statements Stamped Received by BIR
 - d.5. Annual Income Tax Return
 - d.6. Omnibus Sworn Statement in accordance with Section 25.2 (b.) (iv) of the Revised IRR of R.A. 9184
- e. Bid Bulletin, if any;
- f. Notice of Award of Contract and Contractor's "Conforme" thereto;
- g. Purchase Order or Notice to Proceed, whichever is applicable;
- h. Other contract documents that may be required by existing laws and / or the agency concerned.

2. The PROCURING ENTITY and the CONTRACTOR hereby agrees that the SCOPE OF WORK shall be the **REPAIR AND MAINTENANCE OF AIR CONDITIONING AND CHILLER SYSTEM AT ILOILO INTERNATIONAL AIRPORT**;

3. That PROCURING ENTITY shall pay the CONTRACTOR upon the former's satisfaction in the total amount of **One Million Seven Hundred Thirteen Pesos (P 1,000,713.00)** in Philippine Currency. However, the CONTRACTOR may opt to collect at least fifty (50%) percent of the fee provided that they have accomplished at least fifty (50%) percent of the project per evaluation and satisfaction of the PROCURING ENTITY;

4. That in consideration of the payments to be made by the PROCURING ENTITY to the CONTRACTOR, the CONTRACTOR hereby covenants with the PROCURING ENTITY to execute and complete the WORKS and remedy any defects therein in conformity with the provision of this CONTRACT AGREEMENT in all respects;

5. That the CONTRACTOR will fully & faithfully furnish all required materials and/or labor and will complete the said contract for the **REPAIR AND MAINTENANCE OF AIR CONDITIONING AND CHILLER SYSTEM AT ILOILO INTERNATIONAL AIRPORT** and hereby agrees to complete the Contract within **NINETY (90) CALENDAR DAYS** which

STEPHEN K. GURREA

RAFAEL D. APALAGIO II

shall commence on the date received by the Contractor of the Purchase Order or seven (7) days after upon the receipt of Notice to Proceed, whichever is applicable;

6. The CONTRACTOR shall, at its proper cost and expense, fully and faithfully deliver the goods enumerated below:

ITEM NO.	QTY	UNIT	ARTICLE AND DESCRIPTION	BIDDER'S PRICES OFFERED
				A.
			Repair and Maintenance of Air Conditioning and Chiller System at Iloilo International Airport	
I.	1	lot	Replacement of Bearings and Mechanical Seal of Primary and Secondary Chilled Water Pumps	
			Ball Bearings Japan Made	
1.0	2	pc	6204ZZ	706.00
2.0	2	pc	6305ZZ	1,116.00
3.0	3	pc	6306ZZ	1,965.00
4.0	12	pc	6307ZZC3	10,956.00
5.0	10	pc	6308ZZC3	12,560.00
6.0	4	pc	6309ZZC3	6,248.00
7.0	2	pc	6310ZZC3	3,550.00
8.0	4	pc	6312ZZC3	19,912.00
9.0	1	pc	6313ZZC3	5,799.00
			Mechanical Seal	
10.0	10	pc	Ø35 EA560H-35N	75,270.00
11.0	4	pc	Ø45 EA560H-45N	47,252.00
12.0	4	can	Penetrating Oil	3,440.00
13.0	6	bundle	Rugs big @ 10pcs per bundle	3,408.00
14.0	1	lot	Labor Cost	138,430.00
15.0	1	lot	Equipment rental cost	5,576.00
			Gear Puller	
			Shaft Alignment Tool	
II.	1	Lot	Repair of Defective AC Unit at CCTV Room	
16.0	1	unit	Motor Compressor 3TR/4HP, 3 Phase 220VDC Inverter	53,312.00
17.0	1	tank	Nitrogen refill	5,576.00
18.0	1	lot	Labor Cost	18,204.00
19.0	1	lot	Equipment rental cost	12,753.00
			Refrigerant Recovery Machine	

STEPHEN K. GURREA

RAFAEL D. APALACION II





			Gauge Manifold	
III.	1	Lot	Repair/Replacement of Defective AC Unit at CFRU Monitor Room	
20.0	1	unit	2.0 Hp Ceiling Cassette Split Type AC Inverter	78,269.00
			Specifications:	
			Cooling Capacity: 2.0 HP, 18,000BTU - 5.27KW	
			Power Input: 220-240VAC, 60Hz, 1 Phase	
			Refrigerant: R32	
21.0	1	unit	Nitrogen Gas (Refill Only)	5,576.00
22.0	1	lot	Labor Cost	18,204.00
23.0	1	lot	Equipment rental cost	12,753.00
			Refrigerant Recovery Machine	
			Gauge Manifold	
IV.	1	Lot	Replacement Parts	
24.0	2	unit	Motor Compressor 5TR Scroll Type, 200-230VAC, 60Hz, 3 Phase, LRA-125 non-inverter	117,526.00
25.0	2	unit	Motor Compressor 3TR Scroll Type, 200-230VAC, 60Hz, 1 Phase, LRA-98, non-inverter	97,022.00
26.0	16	can	Synthetic Grease, Hi Temp Grease Synthetic Lithium Complex 454gm/can	18,800.00
27.0	2	unit	Motor Compressor 2TR Reciprocating non-inverter	57,612.00
28.0	2	tank	Refrigerant R22 (13.6kg/tank)	30,990.00
29.0	2	tank	Refrigerant R32(9.5kg/tank)	25,226.00
30.0	6	set	Magnetic Contactor 40A, 440VAC, 60Hz with OL Relay, Heavy Duty, Japan made	65,118.00
31.0	4	set	Magnetic Contactor 25A, 440VAC, 60Hz, with OL Relay, Heavy Duty, Japan made	34,908.00
32.0	1	set	Gauge Manifold	12,676.00
			II. SCOPE OF WORK:	
			The Contractor shall provide all labor, materials, equipment, tools, technical supervision and expertise for the Repair and Maintenance of Air-conditioning and Chiller System at Iloilo International Airport, Cabatuan, Iloilo.	
			I. Primary and Secondary Pump Motor Bearing Replacement	
			a. Supply and delivery of ball bearings and mechanical seals	

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RAFAEL A. APALACIO II

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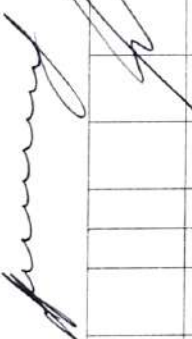
			b. Close the suction and discharge gate valves	
			c. Disassemble pump motors one after the other and replace the bearings on both sides.	
			d. Replace the mechanical seal if necessary	
			e. Assemble the pump motor and reinstall.	
			f. Align the pump and pump motor using a shaft alignment tool	
			g. Test run of pump without load and with load.	
			2. Repair of AC Unit at CCTV Room at PTB	
			a. Supply and delivery of motor compressor and nitrogen (refill only)	
			b. Recover the remaining refrigerant in the system using a recovery machine.	
			c. Dismantle the defective motor compressor.	
			d. Flushing of the system using nitrogen gas.	
			e. Install the new motor compressor and weld connections	
			f. Leak testing and reprocessing of the system (vacuum and refrigerant charging).	
			g. Termination of electrical connections and start-up.	
			h. Prepare and submit the start-up/service report	
			3. Repair/replacement of defective AC unit at CFRU monitor room	
			a. Supply and Delivery of replacement air-conditioning unit	
			b. Recover the remaining refrigerant in the system using a recovery machine.	
			c. Dismantle the outdoor and indoor units.	
			d. Flushing of the system using nitrogen gas.	
			e. Install and connect the indoor and outdoor replacement units.	
			f. Termination of electrical connections and start-up.	
			g. Prepare and submit the start-up/service report	
			TOTAL	₱ 1,000,713.00

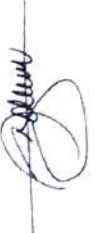
The CONTRACTOR shall furnish all the equipment, material and labor necessary for the aforementioned project to be completed in accordance with the provisions of the Revised IRR of RA 9184 and other related documents which are hereby made and incorporated in this contract;

7. The CONTRACTOR shall comply with, and strictly observe, all laws regarding workmen's health and safety, workmen's welfare, compensation for injuries, minimum wages, hours of labor and other labor laws, the other relevant and applicable provisions of the Labor Code of the Philippines included herein the submission of the names and profile of their manpower assigned to perform the task for credibility check to implement the project and to secure safety in the airport grounds;

STEPHEN K. GURREA

RAMON D. APULAGI





8. No extension of time shall be granted to the CONTRACTOR due to ordinary unfavorable weather condition, non-availability of materials or equipment to be furnished or used by it, labor problems and such causes for which the PROCURING ENTITY is not directly responsible, or when time-affected activities do not fall within the critical path of the network. Extension of time shall be granted only for the equivalent period of delay due to major natural calamities such as earthquake, typhoon, and the likes, which will cause unworkable conditions as well as stoppage of work on orders of the PROCURING ENTITY;

9. The CONTRACTOR warrants that he has not given nor promised to give any money or gifts to any employee/official of the PROCURING ENTITY (or any Philippine Government Instrumentality/ies) to secure this CONTRACT;

10. The CONTRACTOR shall not assign, transfer, pledge, sub-contract or make such any other dispositions of the Contract or any part or interest therein except upon written notice to and prior approval of the PROCURING ENTITY. The approval of the sub-contract shall not relieve the CONTRACTOR from any liability or obligation under this Contract Agreement;

11. As a Warranty, within the period of **at least one (1) year** after the completion and final acceptance, the CONTRACTOR shall remain liable for any damages and defects discovered in the work due to faulty installation or the use of inferior materials. The PROCURING ENTITY shall retain the amount equivalent to one (1%) percent of the total project cost as Guarantee Bond or Warranty Deposit and shall be retained for the duration of its warranty.

JOHN K. GURREA

The PROCURING ENTITY shall promptly notify the CONTRACTOR in writing of any claims arising under this warranty. Upon receipt of such notice, the CONTRACTOR shall, within the period specified in the SCC and with all reasonable speed, repair or replace the defective Goods or parts thereof, without cost to the PROCURING ENTITY.

That any violation of this Warranty shall constitute a sufficient ground for the rescission or cancellation of this Contract or the reduction of the Contract Price or the consideration paid without prejudice to the filing of civil criminal action under the Anti-Graft Law and other applicable laws against the CONTRACTOR and/or his representatives.

The CONTRACTOR shall render the PROCURING ENTITY free and harmless from any and/or all claim(s) or action(s) which may now hereafter be filed by any third person by reason of the foregoing;

12. The provisions of R.A. 9184 and its Implementing Rules and Regulations Part A, as amended, on liquidated damages which shall be payable by the CONTRACTOR in case of breach thereof. The amount of liquidated damages shall be at least equal to one-tenth of one percent (0.1%) of the cost of the unperformed portion for everyday of delay. Once the cumulative amount of liquidated damages reaches ten percent (10%) of the amount of the contract, the PROCURING ENTITY shall rescind the contract, without prejudice to other courses of action and remedies open to it;

RAFAEL M. MARACIO II

13. The PROCURING ENTITY reserve the right to unilaterally rescind/terminate/ revoke this Contract even before its expiration whenever determined that the CONTRACTOR's accomplishment/performance is unsatisfactory, based on specifications and accomplishment report duly submitted/prepared by the PROCURING ENTITY's duly authorized representatives;

14. The parties hereby mutually agree that in case of court suit/litigation arising from this Contract, the same shall be filed with the court of appropriate jurisdiction within Iloilo City;

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15. This contract/agreement becomes binding and valid upon the parties and shall remain effective upon approval hereof until the final completion and acceptance of the project.

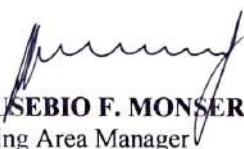
IN WITNESS WHEREOF, the parties hereto affixed their respective signatures on _____ at Province of Iloilo.

Government of the Republic of
the Philippines

**CIVIL AVIATION
AUTHORITY OF THE
PHILIPPINES**

(Procuring Entity)


BY:


ENGR. EUSEBIO F. MONSERATE JR.
Acting Area Manager
Area Center VI

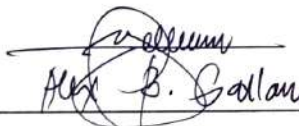
**ILOILO FABRICATION
SPECIALISTS, INC.**

(Contractor)

BY:


RAFAEL D. APALACIO III
Authorized Representative

WITNESSES:



Alex B. Gallana



STEPHEN K. GURREA

